

Council on Postsecondary Education
February 4, 2002

Executive Summary

Cross-Cutting Issues

At the time of this mailing, the General Assembly has been in session for just over two weeks. Over 700 bills have been filed, most of which do not directly affect postsecondary education. The staff will be very pleased to discuss any bills on the weekly list provided to council members or about which members have become aware through other means.

One bill that is important is House Bill 191, requiring that a representative of the independent colleges and universities be added to the membership of the council. The bill is undergoing changes that would instead strongly encourage the council to continue to consider the effect of its policies on independent institutions and take full advantage of that resource for educating Kentuckians.

One interesting legislative issue that probably will surface but has not yet been introduced in bill form has to do with health insurance. It may be suggested that the KCTCS and the comprehensive universities participate in the state's health insurance plan or pay a health insurance surcharge. The University of Kentucky and the University of Louisville do not participate in any state

retirement plan or state health insurance group. Institutional representatives are working with the administration on this issue. The council staff is coordinating activities as they seek common ground.

Governor Patton has introduced his budget proposal for 2002-04. It is a very lean budget, as you have expected. Postsecondary education would operate with a base that reflects the cut enacted in December 2001: a maximum of 2 percent at each institution, with several receiving smaller reductions because of past enrollment growth. The endowment match program is recommended, to be financed through the issuance of debt. An enrollment and retention trust fund of about \$24 million is included to pay for enrollment growth anticipated during the coming biennium. The joint engineering programs, two equal educational opportunity programs, and additional funds needed to match federal agricultural extension funding at Kentucky State University can be funded in the proposed budget from interest earned during the current biennium on the trust funds. Need-based financial aid and KEES are adequately funded.

The one item missing from those the council considered especially important in its November budget recommendation is additional benchmark funding to reflect institutional enrollment growth since 1998 and comparisons with similar institutions across the country. The total requested by the council for this funding was \$69 million over both years; it simply is not available. The

leadership of most institutions recognizes the cyclic nature of the state and national economies, the long-term and strong commitment of Kentucky government to postsecondary education, and the strong funding they have received since 1997. They are prepared to maintain their momentum through the coming biennium.